Labour Market Notes

Employment pulls back while full-time surges

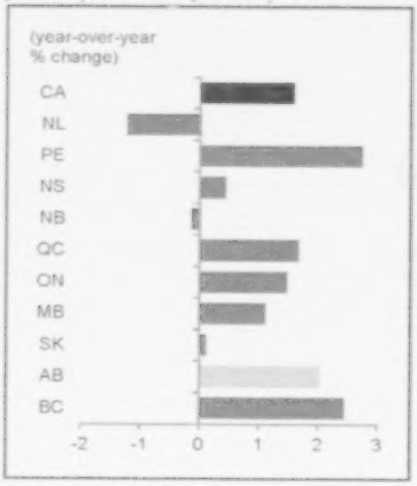
Alberta

- Employment steps back after large gain. Employment in Alberta declined by 5,900 in December after gaining over 20,000 jobs in December.
- The rotation to full-time employment continues. Alberta added 27,500 full-time positions in January, but this was more than offset by a drop in part-time jobs, which fell by 33,400. Over the last year, all the employment gains have been in full-time positions (+88,800) while part-time employment (-42,900) has declined.
- Losses concentrated in construction and trade. Employment in both the goods (-2,900) and service (-3,000) sectors edged lower in January. The decline in the goods sector was led by a drop in construction employment (-6,200), which more than offset gains in manufacturing (+2,900). The decrease in the service sector was concentrated in wholesale and retail trade (-7,900), which reversed gains made in the previous two months.
- Unemployment rate holds steady. The unemployment rate was unchanged at 7.0% in January as the fall in employment was nearly matched by a decline in the labour force.
- Participation rate edges lower. The labour force participation rate decreased 0.2 percentage points to 72.2%.
- Solid year-over-year job growth. Despite the monthly pullback, employment increased by 45,900, or 2.0%, year-over-year. This was slightly higher than the Canadian rate of 1.6%.
- Private sector takes the lead. The majority of the job growth over the last year was in the private sector (+34,100). Gains were supported by self-employment (+18,300), while the public sector declined (-6,500).
- Earnings move higher. Average Weekly Earnings (AWE) moved up 0.3% in November to $1,144. Compared to a year ago, earnings were up 2.5%.

Canada

- Large monthly decline. Canadian employment fell by 88,000 in January, more than reversing December's gain and marking the largest monthly decline since January 2009. Employment decreased in seven of the ten provinces with significant declines in Ontario (-50,900) and Quebec (-17,400).
- Unemployment rate ticks up. The Canadian unemployment rate rose 0.1 percentage points to 5.9%.
- Canadian earnings increase. Canadian AWE ticked 0.6% higher in November to $988, 2.8% higher than a year ago.

Employment Growth by Province, January 2018 vs. January 2017



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,314,500
month-over-month change	5,900
year-over-year % change	2.0%
Alberta Unemployment Rate (LS)	7.0%
Edmonton LR**	7.2%
Calgary LR**	7.0%
Participation Rate	72.2%
Average Weekly Earnings (AWE)	$1,143.93
year-over-year % change	2.5%
Average Hourly Wage	$31.55
year-over-year % change	3.4%
Job Vacancy Rate***	2.0%

Source: Statistics Canada

* All data is from the January 2018 Labour Force Survey, except AWE which is the November 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for October 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

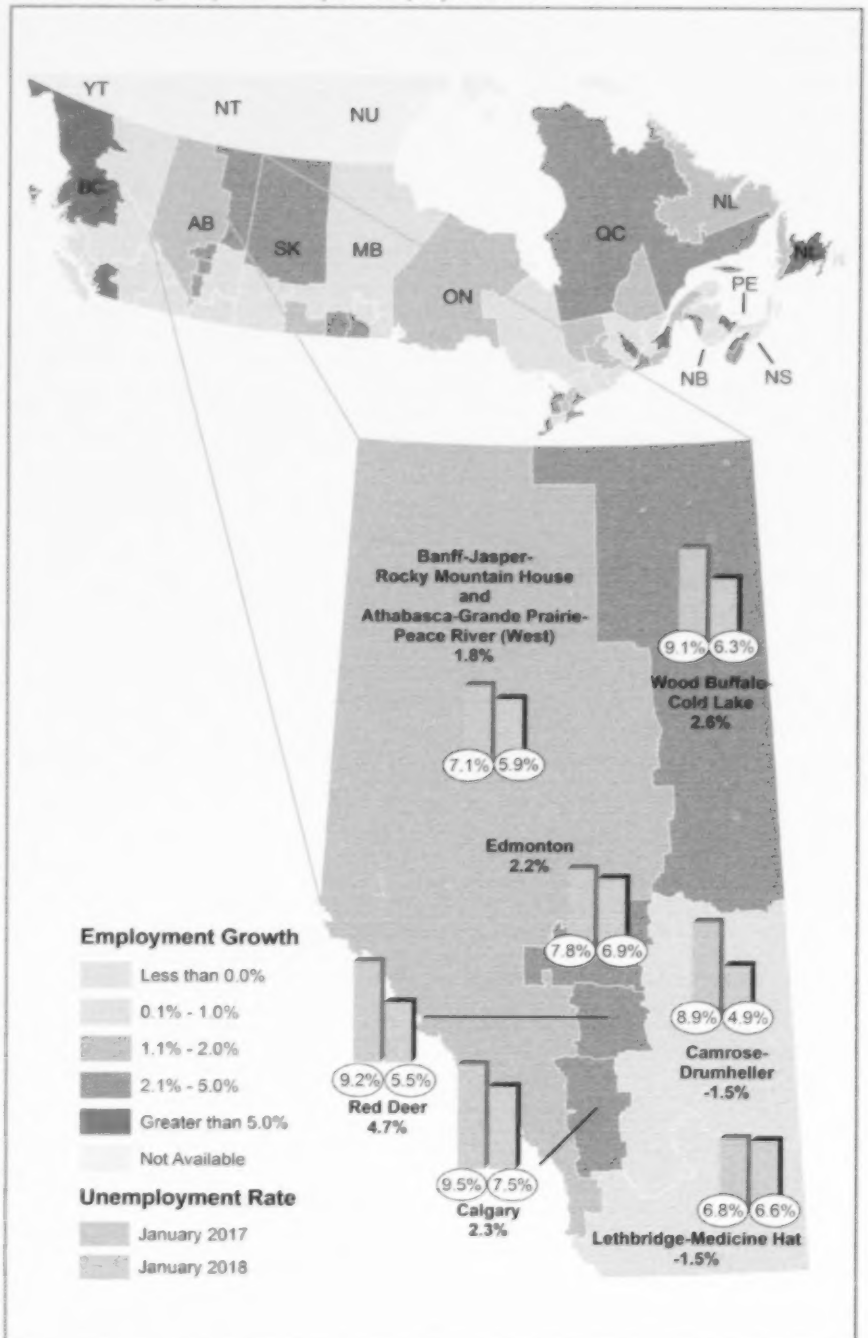
February 2018
Treasury Board and Finance
Economics and Revenue Forecasting

Regional labour market indicators

	2016	2017	2018 YTD
Alberta			
Population	1.7	2.0	1.8
Labour force	1.0	0.7	0.8
Employment	1.6	1.6	1.9
Unemployment Rate	6.1	7.1	6.8
Calgary			
Population	1.9	1.4	1.5
Labour force	1.3	1.8	1.6
Employment	-0.7	2.0	2.1
Unemployment Rate	8.2	7.4	7.5
Edmonton			
Population	2.2	2.2	1.9
Labour force	1.1	0.9	1.2
Employment	-0.2	0.1	2.3
Unemployment Rate	7.4	8.1	6.9
West			
Population	0.8	0.6	0.4
Labour force	-4.2	-3.1	-0.6
Employment	-5.3	-3.5	-1.8
Unemployment Rate	6.2	6.4	5.9
Lethbridge - Medicine Hat			
Population	0.0	-0.2	-0.1
Labour Force	-5.7	-4.4	-1.7
Employment	-7.2	-5.3	-1.5
Unemployment Rate	6.9	6.7	6.6
Red Deer			
Population	1.2	0.5	0.2
Labour force	-1.6	-0.2	0.6
Employment	-4.5	-1.7	4.7
Unemployment Rate	6.6	6.9	5.5
Camrose - Drumheller			
Population	-0.5	-0.8	-0.7
Labour force	-0.1	-0.6	-2.2
Employment	-3.4	-3.7	-1.5
Unemployment Rate	7.8	8.0	4.9
Wood Buffalo - Cold Lake			
Population	3.0	2.8	1.1
Labour Force	2.6	0.0	0.6
Employment	4.0	1.8	3.6
Unemployment Rate	9.3	8.7	6.3

* Year-to-date (YTD) is the change in the average based on 3 month moving averages

Employment growth by economic region
Percent change in year-over-year employment



Source: Statistics Canada

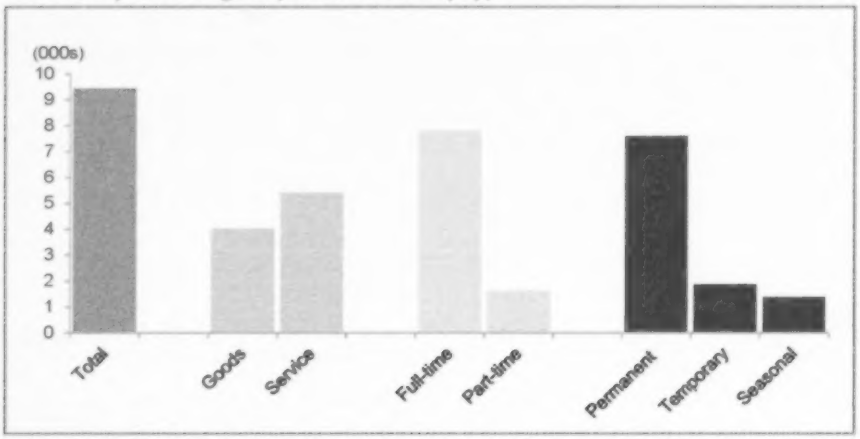
Growing number of employment opportunities

As the Alberta economy improves, the number of unfilled employment positions has increased. This Labour InSight looks at the increase in job vacancies as reported in the Job Vacancies and Wage Survey (JVWS).

More job opportunities in the province

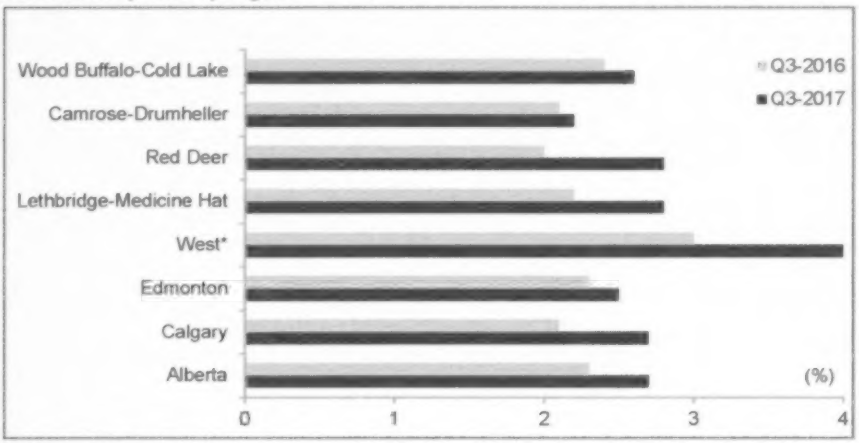
The number of employment opportunities in Alberta increased in 2017 as more industries looked to expand their payrolls. Human resource departments reported 53,720 job openings in the third quarter of 2017, up 21% from a year ago. After modest gains in 2016, the pace of growth in job vacancies surged in 2017 as job opportunities expanded across most sectors. Job openings in both the goods and service sectors increased (Chart 1), with 16 of the 20 industries growing year-over-year (y/y).

Chart 1: Growing number of vacancies for all types of jobs
Year-over-year change in job vacancies by type



Source: Statistics Canada

Chart 2: Job vacancy rate rises in all regions
Job vacancy rate by region



Source: Statistics Canada
West* = Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River

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Gains in all regions

With more industries expanding, the number of job vacancies increased in every economic region. While growth was concentrated in Calgary (accounting for 46% of the y/y growth), the gains were disproportionately stronger in many other less populated regions. In particular, the West* and Red Deer regions saw significant growth in unfilled employment positions and their job vacancies rates jumped (Chart 2).

More full-time vacancies

The acceleration in vacancies was concentrated in full-time and permanent positions. The majority of new job postings were for full-time positions, and the share of full-time vacancies grew to 72.3% from 70.1% a year ago. Most of the new full-time and part-time openings were in permanent positions, which account for more than 80% of all the unfilled job postings.

Average offer wage moves up

With a growing number of vacancies in full-time positions and the goods sector, the average offered hourly wage has continued to move higher. The average offered wage grew 4.9% y/y in the third quarter of 2017, building off steady increases since the fourth quarter of 2015. The increase in offered wages was across the province, with gains in seven of the eight regions. While more than half of the industries saw an increase, wages offered in the mining, oil and gas extraction, utilities and professional and scientific services declined.

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